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8 September 1961

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## CENTRAL

# INTELLIGENCE

### BULLETIN



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TOP SECRET

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#### CENTRAL INTELLIGENCE BULLETIN

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\*West Berlin: Between 15 and 31 August, personal savings deposits in West Berlin declined nearly \$7,000,000 or approximately 2 percent. A drop of one and a half percent occurred in the two weeks following Khrushchev's November 1958 ultimatum on Berlin. The decline in August is accentuated by the fact that up to June of this year, there had been monthly increases in savings of about one percent. Although savings desposits are not of themselves especially significant economically and some withdrawals are normal in the vacation period, the 2-percent drop evidently reflects West Berliners' nervousness over the city's future

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\*Ghana: Discontent among Ghanaian workers has led to a rash of "grass-roots" strikes by government and private employees in Accra and Ghana's other principal cities. The strikers are mainly protesting new revenue measures--especially a compulsory-savings scheme--imposed by the government last July. Although no disorders have been reported as yet, the police have been alerted, and the Presidential Commission, which is in charge during Nkrumah's protracted absence in Communist countries, reportedly has advised Nkrumah to return home immediately.

The left-wing leadership of the government-sponsored Ghanaian Trades Union Congress (TUC) issued a statement on 5 September which strongly endorsed the views of the striking workers and in effect promised to secure concessions from the government. Some TUC leaders now appear to be considering a complete break with the ruling party over the new revenue measures. There are also indications that some of the right-wing elements known to be dissatisfied with Nkrumah's leadership are hoping the workers' demonstrations can be parlayed into a change of regime.

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\*Brazil: (information as of 0430 EDT) Joao Goulart was sworn in as president on 7 September under Brazil's new parliamentary system of government but is not to take office until congress approves a new cabinet. In his inaugural speech he called for a popular vote on congress' recent constitutional amendment providing for parliamentary government, saying, "The decision should be left to the popular will in a supreme referendum. " Some congressmen have apparently suggested that the provision in the constitutional amendment providing for a referendum "nine months before the end of the present term on 31 January 1966" may be stretched to permit a referendum within a short time. Former President Kubitschek, who voted against the constitutional amendment, has announced that he will campaign for an early referendum before he leaves the country in three weeks for a trip to Japan, according to press reports.

The leading contender for the post of Prime Minister is Tancredo Neves, a member of ex-President Kubitschek's BK Social Democratic Party who has worked with Goulart's Labor Party in recent years. The appointment of Neves--added to Goulart's proposal for a referendum--may cause a resurgence of political instability since it would be a severe defeat for the National Democratic Union (UDN) and for the armed forces leaders. The UDN--which had its first victory at the polls when Quadros was elected in 1960 -- had apparently hoped for an alliance with the Social Democrats to keep Goulart's Labor Party in check. The military, whose opposition to Goulart has been largely based on his close association with former dictator Vargas, may feel that Neves' appointment shows that the Vargaslinked forces are restoring their political dominance. Both the Social Democratic and the Labor parties were founded to support

Social Democratic and the Labor parties were founded to support	_ 25X1
Vargas.	
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Lacerda is now Governor of	
Guanabara State and one of the few civilian leaders who publicly	
opposed Goulart's succession to the presidency.	

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Neves has served in a variety of posts in his home state of Minas Gerais. He is regarded by his associates as somewhat nationalistic but consistently anti-Communist. He has been a close friend and ally of the large landowners and the industrial interests of the state.

Leading contenders for other key cabinet posts are reported to be Afonso Arinos Mello Franco (UDN) for the foreign ministry and Walter Moreira for the finance ministry. Mello Franco is a holdover from the Quadros cabinet but is believed to favor a more conservative, pro-United States line in foreign policy than Quadros permitted. Moreira is a well-to-do industrialist who proved himself friendly to the United States during his tenure as ambassador here several years ago.

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### SELECTED INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Probable interrelationships of the independent African states: major forces shaping political relationships, intervention and subversion, significant patterns and trends, general outlook. U.S.I.B. NIE 6/70-2-61. Aug 31'61.

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#### Approved For Release 2002/05/16: CIA-RDP79T00975A005900260001-8 THE PRESIDENT The Vice President Executive Offices of the White House Special Counsel to the President Military Representative of the President The Special Assistant for National Security Affairs The Scientific Adviser to the President The Director of the Budget The Director, Office of Civil and Defense Mobilization The Director, National Aeronautics and Space Administration Chairman, Foreign Intelligence Advisory Board The Department of State The Secretary of State The Under Secretary of State The Director, International Cooperation Administration The Deputy Under Secretary of State for Political Affairs The Deputy Under Secretary of State for Administration The Counselor and Chairman of the Policy Planning Council The Director of Intelligence and Research The Treasury Department The Secretary of the Treasury The Under Secretary of the Treasury The Department of Defense The Secretary of Defense The Deputy Secretary of Defense The Secretary of the Army The Secretary of the Navy The Secretary of the Air Force The Assistant Secretary of Defense (International Security Affairs) The Assistant to Secretary of Defense (Special Operations) The Chairman, The Joint Chiefs of Staff Chief of Naval Operations, United States Navy Chief of Staff, United States Air Force Chief of Staff, United States Army Commandant, United States Marine Corps U.S. Rep., Military Committee and Standing Group, NATO Supreme Allied Commander, Europe Commander in Chief, Pacific The Director, The Joint Staff The Director for Intelligence, The Joint Staff The Assistant Chief of Staff for Intelligence, Department of Army The Director of Naval Intelligence, Department of Navy The Assistant Chief of Staff, Intelligence, Department of the Air Force The Department of Justice

The Attorney General The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

